

**MINUTES
OF THE REGULAR MEETING OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
MARCH 18, 2014
7:00 P.M.**

I. CALL TO ORDER

Mayor Hovland called the meeting to order at 7:04 p.m.

II. ROLL CALL

Answering rollcall were Members Bennett, Brindle, Sprague, Swenson and Mayor Hovland.

III. MEETING AGENDA APPROVED

Member Swenson made a motion, seconded by Member Bennett, approving the meeting agenda as revised to consider Item VIII.D., Pentagon Park Redevelopment – Authorizing Preparation of Redevelopment Agreement, prior to Item VIII.A., Consideration of Citizens’ Petition for Environmental Assessment Worksheet (EAW) for Conversion of the Fred Richards Golf Course in Edina, Resolution No. 2014-30.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

IV. CONSENT AGENDA ADOPTED

Member Swenson made a motion, seconded by Member Brindle, approving the consent agenda as revised to remove Items IV.A., Regular and work session meeting minutes of March 4, 2014, and IV.K. Resolution No. 2014-32, Resolution of Appreciation to Metropolitan Airport Commission for Recent Work Regarding Airport Noise, as follows:

~~IV.A. Regular and work session meeting minutes of March 4, 2014~~

IV.B. Receive payment of the following claims as shown in detail on the Check Register dated March 6, 2014, and consisting of 28 pages; General Fund \$413,135.80; Police Special Revenue \$2,684.42; Working Capital Fund \$138,625.72; Art Center Fund \$1,270.58; Golf Dome Fund \$23,691.74; Aquatic Center Fund \$298.75; Golf Course Fund \$31,885.57; Ice Arena Fund \$2,423.10; Edinborough Park Fund \$35,898.43; Centennial Lakes Park Fund \$4,348.52; Liquor Fund \$171,033.19; Utility Fund \$76,229.69; Recycling Fund \$1.70; PSTF Agency Fund \$20,077.96; TOTAL \$921,605.17 and for receipt of payment of claims dated March 13, 2014, and consisting of 26 pages; General Fund \$224,486.85; Pedestrian and Cyclist Safety \$906.25; General Debt Service Fund \$425.00; PIR Debt Service Fund \$450.00; Working Capital Fund \$13,707.75; Golf Dome Fund \$282.09; Aquatic Center Fund \$109.64; Golf Course Fund \$24,234.09; Ice Arena Fund \$48,393.39; Sports Dome Fund \$113,477.26; Edinborough Park Fund \$5,601.41; Centennial Lakes Park Fund \$530.00; Liquor Fund \$277,895.88; Utility Fund \$407,467.97; Storm Sewer Fund \$5,128.88; Recycling Fund \$35,223.11; PSTF Agency Fund \$3,834.84; Payroll Fund \$1,313.70; TOTAL \$1,163,468.11; and, Credit Card Transactions dated December 26, 2013 – January 25, 2014; TOTAL \$39,980.58

IV.C. Approve Edina Community Health Commission Bylaws Amendment

IV.D. Request for Purchase – Award of Bid – Contract ENG 13-18 Bridge Repairs (West 78th Street and Gus Young Lane Bridges), awarding the bid to the recommended low bidder, PCiRoads, LLC at \$199,981.72

IV.E. Approve Supplement Assessment Agreement and Waiving of Public Hearing, 4316 Eton Place

IV.F. Approve Release of Public Improvement and Special Assessment Agreement, 5017 West 56th Street

IV.G. Adopt Resolution No. 2014-24, Lot Division and Front Yard Setback Variance, 5617 and 5613 Wooddale Avenue, Chris and Anne Hill, subject to the following conditions:

1. The site must be developed and maintained in conformance with the following plans:

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- Survey date stamped February 10, 2014
- Landscape plans and elevation date stamped February 10, 2014
- Building plans and elevations date stamped February 10, 2014

IV.H. Authorization to Utilize Metro ECSU Cooperative Purchasing Agency – Purchase of Artificial Turf for the Sports Dome and Pamela Park Projects

IV.I. Receive Report from Community Advisory Team – Redevelopment Strategy for Grandview Public Works Site

IV.J. Adopt Resolution No. 2014-28, Declaring Hazardous Building, 4100 Parklawn Avenue

~~IV.K. Resolution No. 2014-32, Resolution of Appreciation to Metropolitan Airport Commission for Recent Work Regarding Airport Noise~~

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

ITEMS REMOVED FROM THE CONSENT AGENDA

IV.A. AMENDED REGULAR AND WORK SESSION MEETING MINUTES OF MARCH 4, 2014 – APPROVED

Mayor Hovland made a motion, seconded by Member Bennett, to approve regular meeting minutes of March 4, 2014, as amended on Page 5, to change “Ron Ousky” to “Daniel Ousky.”

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Member Bennett made a motion, seconded by Member Swenson, to approve the amended work session meeting minutes of March 4, 2014, correcting the spelling of “Jay Abdo.”

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

IV.K. RESOLUTION NO. 2014-32, RESOLUTION OF APPRECIATION TO METROPOLITAN AIRPORT COMMISSION FOR RECENT WORK REGARDING AIRPORT NOISE – ADOPTED

At the request of Member Sprague, Mayor Hovland read Resolution No. 2014-32 into the record. Member Swenson introduced and moved adoption of Resolution No. 2014-32, Resolution of Appreciation to Metropolitan Airport Commission for Recent Work Regarding Airport Noise. Member Sprague seconded the motion.

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

V. SPECIAL RECOGNITIONS AND PRESENTATIONS

V.A. SPEAK UP EDINA MONTHLY REPORT – RECEIVED

Communications Coordinator Gilgenbach presented a summary of February opinions, both pros and cons, collected through Speak Up, Edina relating to intoxicating liquor license sales ratios of liquor to food. Mr. Gilgenbach answered questions of the Council relating to an infraction clause. The Council indicated it found no problem with the current food to liquor ratio and suggested an April discussion on Sunday liquor sales.

VI. PUBLIC HEARINGS HELD – Affidavits of Notice presented and ordered placed on file.

VI.A. PRELIMINARY REZONING FROM MDD-6 TO PUD AND OVERALL DEVELOPMENT PLAN, PENTAGON REVIVAL, RESOLUTION 2014-29 ADOPTED

Community Development Director Presentation

Community Development Director Teague presented the proposal of Pentagon Revival to redevelop Pentagon Park along 77th Street, a 43-acre site, over the next 2 to 15 years. The first phase would be the Pentagon Tower site and include office buildings, a hotel, limited retail, and parking structures. Future

redevelopment phases of the Pentagon Quad site north of 77th Street would likely occur from the west to the east with possible housing on the east end of the Quad sites. Mr. Teague explained that to accommodate this request, preliminary rezoning from MDD-6, Mixed Development District, to PUD, Planned Unit Development, and an overall Development Plan were needed. He presented project components and nine PUD goals as contained within the draft resolution. The unanimous recommendation of staff and the Planning Commission was for approval of the preliminary rezoning and overall development plan.

The Council acknowledged the high level of sustainability proposed with this project. Mr. Teague stated the plan indicates 12+ stories but anything over 12 stories would require a Comprehensive Plan amendment as well as rezoning. The Council supported a revision to the graphic to emphasize that no building shall exceed 12 stories in height and a revision to conditions of approval to require bicycle racks within each phase of the project. It was noted that Condition 10 should be corrected to reflect “pedestrian crossings.”

Mr. Teague answered questions of the Council relating to the process for rezoning of the entire site and incorporation of conditions to assure each phase of the project must abide by these conditions. The Council asked about the balance of power between the City as the regulating agency and the developer as the property owner should the property be sold. Attorney Knutson advised that the new property owner would enjoy the same ability as the original property owner because rezoning runs with the property.

Mr. Teague stated the Council could add a condition to require sketch plan approval for each phase of the development. The Council indicated support for this additional condition. Mr. Teague indicated the preliminary rezoning was consistent with the City’s Comprehensive Plan and the revision from the previously approved plans exchange residential square footage with non-residential square footage. He reviewed the assurances provided to the City with a rezoning to PUD compared to the current zoning of MDD-6.

Proponent Presentation

Scott Tankenoff, Pentagon Revival President, described the proponent’s work over the past year to develop project plans and requested the Council’s approval of the Pentagon Park preliminary PUD and plan. He indicated this proposal resulted in \$500 million of private improvements and public infrastructure to unlock the potential of Pentagon Park, noting it was consistent with the City’s Comprehensive Plan. Mr. Tankenoff thanked the Council for its consideration and trust placed in the proponent.

Mayor Hovland opened the public hearing at 7:54 p.m.

Public Testimony

Jane Prince, Weinblatt & Associates, 5874 Blackshire Path, Inver Grove Heights, representing the Save the Fred Organization, addressed the Council.

Laura Schleck, 7408 Kellogg Avenue, addressed the Council.

Lori Syverson, Edina Chamber of Commerce President, addressed the Council.

Wade Heirigs, 4529 Gilford Drive, addressed the Council.

John Stang, 4525 Sedum Lane, addressed the Council.

Peter Fitzgerald, 5217 Kellogg Avenue, addressed the Council.

Felicity Hanson, 7457 West Shore Drive, addressed the Council.

Nickolis Hunzelman, 7461 West Shore Drive, addressed the Council.

Tom Terwilliger, 7421 Kellogg Avenue, addressed the Council.

Member Swenson made a motion, seconded by Member Brindle, to close the public hearing.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Mr. Teague addressed issues raised during public testimony relating to level of detail submitted during this preliminary stage and during the first development phase. It was noted that all submittals have to meet the conditions contained in the draft resolution. With regard to building height and need to screen rooftop mechanicals, Mr. Teague advised of requirements for rooftop screening and that building height was measured from existing grade. It was acknowledged that the developer was requesting a building height of five stories in an area where the Comprehensive Plan would allow a building height of 12 stories, resulting in a lesser impact than would be allowed by the Comprehensive Plan.

Member Sprague read a prepared statement in response to allegations made in a letter dated March 17, 2014, from Jane Prince and accompanying affidavits. Attorney Knutson indicated he had reviewed the affidavits and allegations and, in his legal opinion, there was no conflict of interest to prevent Member Sprague from participating in either the discussion and/or decision.

The Council again reviewed the site plan, noting that no part of Fred Richards Golf Course was included. The Council discussed the conditions of the draft resolution. The Council agreed the proposed project would result in a legacy project that, over time, would benefit the community overall and enhance the neighborhood **Member Swenson introduced and moved adoption of Resolution No. 2014-29, Approving Preliminary Rezoning from MDD-6, Mixed Development District to PUD, Planned Unit Development, and Overall Development Plan for Pentagon Park, revising Exhibit 15 (building heights diagram) to indicate "12 stories" rather than "12+ stories," and subject to the following conditions:**

1. Final Development Plans must be generally consistent with the Preliminary/Overall Development Plans dated January 22, 2014; Option 1 is the Overall Development Plan. Exhibit 14 (Option 2) is not approved. Exhibit 15 is approved but shall not include the "12+ Story" category.
2. The Final Landscape Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
3. The Final Lighting Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
4. Submittal of a sign plan with Final Development Plan application for each phase of the overall development. Each signage plan submittal should include monument sign locations and size, way finding signage, and wall signage. Signage shall be consistent throughout the PUD.
5. The 77th Street Improvements must be completed by the applicant/landowner when 100,000 square feet of development has been constructed. The 77th Street improvements must be consistent with the plans date stamped January 22, 2014, and are subject to review and approval of City staff before construction.
6. The Parkway and Living Streets, as shown on the Preliminary/Overall Development Plan, date stamped January 22, 2014, must be built.
7. Final Development Plans must create a recreational system that promotes walking, health and wellness.
8. Connections shall be made from the property south of 77th Street to the property north of 77th Street through or adjacent to the "Walsh Title" site and Fred Richards Golf Course.
9. Pedestrian connections must also be made between buildings, along 77th Street, to Burgundy Place, to the anticipated Regional Trail, and to the new Living Streets, the design of which is conditioned on factors, including without limitation, the future use of Fred Richards.

10. All crosswalks shall be marked with “duraprint” type stamping, or whatever is the City standard at the time of installation, to clearly identify the pedestrian crossings.
11. Where applicable and required pursuant to the Final Development Plan, all public utility, public roadway and public sidewalk easements shall be granted or dedicated to the City upon Final Development Plan approval for each phase.
12. Bike storage and bike shower facilities shall be provided within the development. Bike racks shall be provided within each phase of the development.
13. A majority of the storm water retention shall be developed as an amenity and integrated into the overall development.
14. Overall, the development must include at least 20% of green space/storm water retention in the aggregate.
15. Any Park Dedication fees due under Section 32 of the City Code shall be collected at the time of the issuance of a building permit for any portion of the property that is re-platted.
16. New buildings shall utilize the podium height concept, as defined in the Edina Comprehensive Plan, where appropriate.
17. Attempts shall be made to meet an energy savings goal of 15% over State energy code guidelines. Building designs shall be similar to and reasonably consistent with LEED standards.
18. All buildings must be constructed of high quality materials and architecture. Building materials shall be of, but not limited to high quality brick, stone, precast concrete, and glass building. No building shall contain aluminum or metal siding as the primary finish material.
19. All parking structures shall be designed to be integrated into and complement the architecture of newly constructed buildings. Shared parking strategies shall be employed, where applicable.
20. Public art shall be incorporated within each phase of development.
21. Final Rezoning is subject to a Zoning Ordinance Amendment creating the PUD, Planned Unit Development, for this site. Final PUD Zoning must meet the criteria required for a PUD.
22. Compliance with the issues/conditions outlined in the Director of Engineering’s memo dated January 22, 2014.
23. Sketch plan review shall be required for each phase of the development.

Member Bennett seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VII. COMMUNITY COMMENT

No one appeared to comment.

VIII. REPORTS / RECOMMENDATIONS

VIII.D. PENTAGON PARK REDEVELOPMENT – PREPARATION OF REDEVELOPMENT AGREEMENT – AUTHORIZED

Economic Development Manager Neuendorf explained that the owner of Pentagon Park approached the City to request financial assistance to achieve its long-term redevelopment goals and to remediate poor soils and hazardous abatement, resulting in extraordinary costs. Mr. Neuendorf presented the structure of the proposed assistance, noting the greatest risk would be borne by the developer and his investors with very little risk/exposure to the City. The proposed terms anticipated that a Tax Increment Financing (TIF) note would be pledged to the developer upon initiation of each phase of the project. Upon successful completion of each phase, the City would make payments on the TIF note from incremental property taxes generated by the new buildings.

Nick Anhut, Ehlers & Associates, advised that the proposed interest rate of 5-6% was the same as being seen for comparable projects within the metro area.

Mr. Neuendorf explained the public improvements would meet City development standards; however, the City would not issue debt for those improvements, as the developer would be responsible for those costs.

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He described safeguards and default provisions within the Term Sheet as well as the three-year look-back period whereby the City would only reimburse for reasonable costs.

Jay Lindgren, Dorsey & Whitney, addressed the variety of ways TIF could be used to encourage redevelopment and advised that the lowest-risk method was a pay-as-you-go note since it created a very low/no risk to the City. He explained the “but for” test required prior to consideration of TIF assistance.

Mr. Neuendorf answered questions of the Council related to stormwater runoff, parking, and eligible costs. The Council directed staff to assure the language of the Redevelopment Agreement and supporting documentation unhinge Fred Richards Golf Course from Pentagon Park. **Member Brindle made a motion, seconded by Member Bennett, authorizing the preparation of a Redevelopment Agreement for the Pentagon Park Redevelopment for future consideration by the City Council and Edina Housing and Redevelopment Authority.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.A. CONSIDERATION OF CITIZENS’ PETITION FOR ENVIRONMENTAL ASSESSMENT WORKSHEET (EAW) FOR CONVERSION OF THE FRED RICHARDS GOLF COURSE IN EDINA – RESOLUTION 2014-30 ADOPTED

Mr. Teague reviewed that the Minnesota Environmental Quality Board (EQB) received a petition requesting preparation of an Environmental Assessment Worksheet (EAW) for the conversion of the Fred Richards Golf Course. He advised that the EQB determined that the City was the appropriate governmental unit to determine the need for an EAW. Mr. Teague indicated staff believed the closing of a golf course was not a “project” as defined in Minnesota Rules 4410.0200, Subd. 65, because the closure would not “result in the physical manipulation of the environment, directly, or indirectly.” Staff recommended adoption of the draft resolution denying the request for an EAW. Attorney Knutson indicated he had reviewed all documentation submitted, worked with staff to draft this resolution, and also supported adoption. **Member Swenson introduced and moved adoption of Resolution No. 2014-30, Concerning a Petition for an Environmental Assessment Worksheet for the Fred Richards Golf Course.** Member Bennett seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.B. GOLF COURSE OPERATIONS STUDY ACCEPTED – FRED RICHARDS GOLF COURSE CLOSING APPROVED – FRED RICHARDS GOLF COURSE & BRAEMAR GOLF COURSE MASTER PLANS APPROVED – DRIVING RANGE AND EXECUTIVE COURSE PROJECTS APPROVED

Mr. Neal stated this discussion started at the Council’s March 4, 2014, meeting during which a public hearing was also held. He referenced the staff report that consolidated and addressed public testimony. Mr. Neal stated since the March 4, 2014, Council meeting, additional meetings and discussions were held; however, staff’s position had not changed from its recommendation to close Fred Richards.

Parks & Recreation Director Kattreh presented the staff report, staff’s additional research, and answers to the 18 questions raised during the March 4, 2014, Council meeting. Ms. Kattreh described proposed golf course updates to make it easier and more fun, customer service improvements, and additional programming for all ages. She indicated staff’s proforma was very conservative and explained how golfers and leagues would be accommodated and engaged during the update of Braemar Golf Course. Ms. Kattreh answered questions of the Council.

The Council considered whether to use 2014 for Master Planning golfing operations and soft close Fred Richards in 2015. In that way, golfers could use the Fred Richards while Braemar was undergoing improvements. **Member Swenson made a motion, seconded by Member Bennett, accepting the recommendation of staff and the Park Board to close Fred Richards at the end of the 2014 season.**

The Council discussed the motion, including what cost recovery level enterprise facilities should be held to, alternative marketing efforts for Fred Richards, allocation of city resources based on significant changes in demand for golf, operational benefit of consolidating uses to increase cost recovery, importance of budget transparency, survey results indicating public non-support for additional tax dollars to fund Braemar capital improvements, and issues related to the timing of the closure of Fred Richards.

Ayes: Bennett, Sprague, Swenson

Nays: Hovland, Brindle

Motion carried.

Member Swenson made a motion, seconded by Member Bennett, to start the Master Plan for redevelopment of Fred Richards Golf Course with funding from 2013 undesignated funds and with involvement by residents, the Park Board, and City officials.

The Council discussed the motion. Mr. Neal stated if the motion carried, staff would present a description of that process within 30 days.

Ayes: Bennett, Brindle, Sprague, Swenson

Abstain: Hovland

Motion carried.

Member Swenson made a motion, seconded by Member Brindle, to immediately start the Master Plan for Braemar Golf Course with funding from the Braemar Memorial Fund.

The Council discussed the motion and use of Braemar Memorial Funds.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Mayor Hovland made a motion, seconded by Member Swenson, to immediately begin work on extending the driving range and executive course projects, consistent with the existing concept plan.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

The Council encouraged staff to take advantage of offers from local golf course contractors and professionals to assist developing the Master Plan and RFP but to allow the selected architect to work independently based on the Master Plan.

VIII.C. RESOLUTION NO. 2014-31 ADOPTED – ACCEPTING VARIOUS DONATIONS

Mayor Hovland explained that in order to comply with state statutes, all donations to the City must be adopted by Resolution and approved by four favorable votes of the Council accepting the donations.

Member Bennett introduced and moved adoption of Resolution No. 2014-31 accepting various donations. Member Swenson seconded the motion.

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VIII.D. PENTAGON PARK REDEVELOPMENT – PREPARATION OF REDEVELOPMENT AGREEMENT – AUTHORIZED

This item was consider prior to Item VIII.A.

IX. CORRESPONDENCE AND PETITIONS

IX.A. CORRESPONDENCE

Mayor Hovland acknowledged the Council's receipt of various correspondence.

IX.B. MINUTES:

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- 1. PARK BOARD, FEBRUARY 11, 2014**
- 2. ARTS & CULTURE COMMISSION, JANUARY 23, 2014**
- 3. HERITAGE PRESERVATION BOARD, FEBRUARY 11, 2014**

Informational; no action required.

X. AVIATION NOISE UPDATE – Received

X.A. MOTION SUPPORTING NOISE OVERSIGHT COMMISSION (NOC) RESOLUTION REGARDING RECENT FAA ACTION ON RNAV AT MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT

Member Bennett presented the Noise Oversight Commission (NOC) resolution supporting recent FAA action on RNAV at Minneapolis-St. Paul International Airport. **Member Bennett made a motion stating the City of Edina's support of the NOC regarding future FAA Performance-Based Navigation (PBN)/Area Navigation (RNAV) Standard Departure Procedure Design and Implementation Efforts at Minneapolis-St. Paul International Airport (MSP).** Mayor Hovland seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

XI. MAYOR AND COUNCIL COMMENTS – Received

XII. MANAGER'S COMMENTS – Received

XIII. ADJOURNMENT

There being no further business on the Council Agenda, Mayor Hovland declared the meeting adjourned at 11:13 p.m.

Respectfully submitted,

Jennifer Bennerotte, Community & IT Services
Director

Minutes approved by Edina City Council, April 1, 2014.

James B. Hovland, Mayor

Video Copy of the March 18, 2014, meeting available.